

Message Text

PAGE 01 STATE 095175

70

ORIGIN COME-00

INFO OCT-01 ARA-06 EUR-12 EA-06 IO-10 ISO-00 EB-07 TRSE-00

INT-05 GSA-01 AID-05 CIAE-00 FRB-03 INR-07 NSAE-00

XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 H-02

L-02 NSC-05 SS-15 STR-04 CEA-01 PA-01 PRS-01 USIA-06

/114 R

DRAFTED BY COM/BRTA/OIP/RSHARKEY/JTP COM/IEPR

APPROVED BY EB:JLKATZ

COM/BRTA/OIP/APOLANSKY

COM/OBRA/BDC/JOWENS

COM/IEPR/OITP/LFOX

STATE/EB/ISM/MJDUX

TREASURY/JRAY

STATE/EB/JLKATZ

----- 036161

P R 242211Z APR 75

FM SECSTATE WASHDC

TO AMEMBASSY BRUSSELS PRIORITY

AMEMBASSY BONN PRIORITY

AMCONSUL DUSSELDORF PRIORITY

AMEMBASSY THE HAGUE PRIORITY

AMEMBASSY LONDON PRIORITY

AMEMBASSY LUXEMBOURG PRIORITY

AMEMBASSY OTTAWA PRIORITY

AMEMBASSY ROME PRIORITY

AMEMBASSY PARIS PRIORITY

AMEMBASSY SEOUL PRIORITY

AMEMBASSY STOCKHOLM PRIORITY

AMEMBASSY TOKYO PRIORITY

AMEMBASSY VIENNA PRIORITY

INFO USMISSION EC BRUSSELS

USDEL MTN GENEVA

USMISSION OECD PARIS

AMEMBASSY BRASILIA

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 095175

AMEMBASSY MEXICO

LIMITED OFFICIAL USE STATE 095175

O. 11652: N/A

TAGS: EIND, ETRD, XG

SUBJECT: US STEEL INDUSTRY REPRESENTATIVES EXPRESS CONCERN ABOUT IMPORTS

1. AS POSTS ARE AWARE, U.S. IMPORTS OF STEEL HAVE CONSTITUTED A SENSITIVE ISSUE SINCE THE MID 1960'S. AS A RESULT OF THE RECENT INCREASE IN U.S. IMPORTS OF STEEL WITH A PARTICULAR FOCUS ON IMPORTS OF STAINLESS AND TOOL STEELS, SPOKESMEN FOR THE STEEL INDUSTRY REQUESTED A MEETING WITH GOVERNMENT OFFICIALS IN ORDER TO PRESENT THEIR VIEWS ON THE IMPORT SITUATION AND ON THE INDUSTRY'S POSITION CONCERNING THE FORTHCOMING TRADE NEGOTIATIONS IN GENEVA.

2. IN A MARCH 18 MEETING WITH UNDERSECRETARY OF COMMERCE TABOR, UNDERSECRETARY OF STATE FOR ECONOMIC AFFAIRS ROBINSON, DEPUTY SECRETARY OF TREASURY GARDNER, AND OTHER OFFICIALS, REPRESENTATIVES OF THE STEEL INDUSTRY EXPRESSED THEIR INCREASING CONCERN OVER THE 7.7 MILLION TON VOLUME OF IMPORTS (AN ANNUAL RATE OF 23.1 MILLION TONS) WHICH ENTERED THE COUNTRY IN THE PERIOD OCTOBER 1974-JANUARY 1975. IN COMPARISON, THE RECORD IMPORT VOLUME WAS 18.3 MILLION TONS IN 1971. THE INDUSTRY'S CONCERN OVER IMPORTS AT THE MOMENT HAS A SHORT-RUN FOCUS AND IS HEIGHTENED BY AN ANTICIPATED DECLINE IN DOMESTIC STEEL SHIPMENTS IN A

RANGE OF 13 TO 20 PERCENT FOR 1975. AGAINST THIS BACKGROUND, THE APPARENT TREND OF IMPORTS, IF CONTINUED COULD RESULT IN A SIGNIFICANT LOSS OF THE DOMESTIC STEEL MARKET AT A TIME WHEN THE INDUSTRY IS UNDER PRESSURE TO EXPAND CAPACITY. IN VOICING THEIR CONCERN, INDUSTRY SPOKESMAN URGED THE GOVERNMENT TO CONSIDER, WITHIN THE FRAMEWORK OF THE MTN, VARIOUS ALTERNATIVE MEASURES TO DEAL WITH THE PROBLEM OF INCREASED IMPORTS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 095175

3. IN THE COURSE OF A DETAILED DISCUSSION WITH STEEL INDUSTRY SPOKESMEN OF THEIR VIEWS AND PROBLEMS USG REPS STATED THE VIEW THAT IT WAS POSSIBLE AT THIS TIME THAT THE STEEL INDUSTRY MIGHT ONLY BE FACING A SHORT RUN PROBLEM INVOLVING SLUGGISH OVERALL DEMAND THAT HAS BEEN COMPOUNDED BY AN ONGOING INVENTORY LIQUIDATION, WHICH MANY OTHER INDUSTRIES WERE ALSO EXPERIENCING. WE INDICATED OUR BELIEF THAT RECENT HIGH IMPORT VOLUMES MIGHT ALSO BE OF A SHORT RUN NATURE, STEMMING LARGELY FROM HEDGE-BUYING IN ANTICIPATION OF THE FOURTH QUARTER 1974 COAL STRIKE, BUT IT WAS ALSO POSSIBLE THAT FOREIGN PRODUCERS MIGHT BE REDUCING INVENTORIES AT SEVERELY RE-

DUCED PRICES, PARTICULARLY WHERE NATIONAL POLICIES WERE DIRECTED TOWARD MAINTAINING EMPLOYMENT IN THE FACE OF DECLINING DEMAND. WE ALSO TOLD THE INDUSTRY REPS THAT IF THERE WERE GROUNDS TO BELIEVE FOREIGN COUNTRIES WERE DUMPING STEEL IN THE US, TREASURY WAS PREPARED TO CONSIDER INDUSTRY PETITIONS CHARGING FOREIGN FIRMS WITH DUMPING.

4. (FYI) THE US INDUSTRY REPRESENTATIVES WERE ALSO ASSURED THAT THE U.S. GOVERNMENT WOULD SEEK AT THE APRIL 8 MEETING OF THE MTN SECTORS GROUP IN GENEVA TO HAVE STEEL LISTED AS ONE OF THE PRODUCTS TO BE GIVEN PRIORITY CONSIDERATION IN UNDERTAKING SECRETARIAT STUDIES OF PARTICULAR PRODUCT SECTORS. THE U.S. WAS SUCCESSFUL IN THIS EFFORT. KISSINGER

LIMITED OFFICIAL USE

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STEEL, IMPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE095175
Document Source: ADS
Document Unique ID: 00
Drafter: COM/BRTA/OIP/RSHARKEY/JTP COM/IEPR
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D750144-1067
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t197504103/baaaahxk.tel
Line Count: 125
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 09 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 APR 2003 by BoyleJA>; APPROVED <21 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: EIND, ETRD, XG, US
To: BRUSSELS
BONN
DUSSELDORF
THE HAGUE
LONDON
LUXEMBOURG

OTTAWA
ROME
PARIS
SEOUL
STOCKHOLM
TOKYO
VIENNA INFO EC BRUSSELS
MTN GENEVA
OECD PARIS
BRASILIA
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE
Type: TE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006